

SPECIAL OLYMPICS IOWA  
FINANCIAL SUMMARY  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

**NET INCOME (LOSS)**

State office net loss in calendar year 2018, excluding in-kind revenues and expenses, was \$176,200; including approximately \$31,700 of unrealized losses from invested assets. Excluding investment losses due to market performance, the State office net loss was \$144,500; roughly \$141,000 worse than budget. As discussed in September, the budget shortfall has been reduced significantly, and following are causes of the full year shortfall.

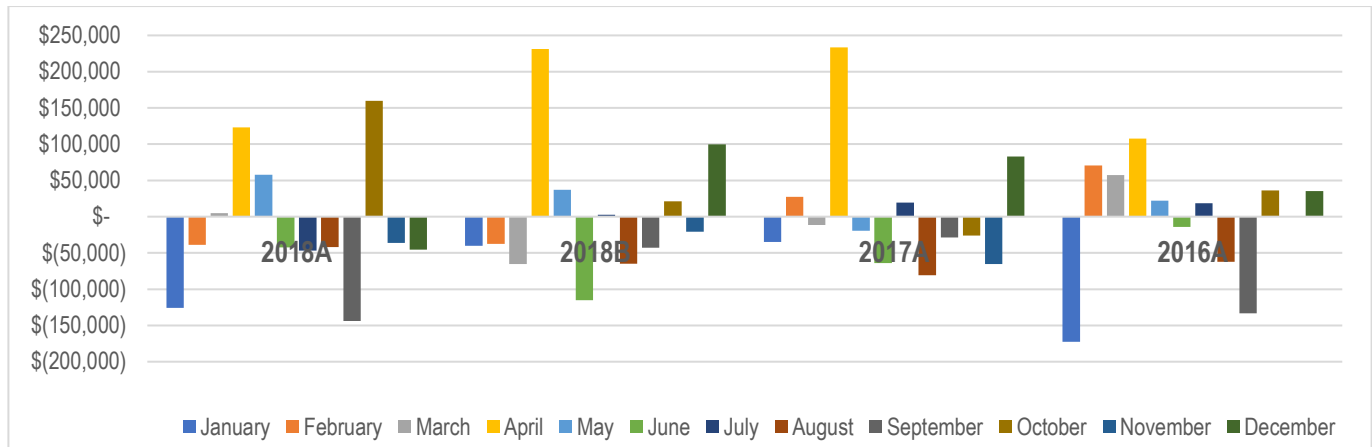
- 2018 budget included \$45,000 for revenues from National Games; and the State Office did not recover expenses from delegations.
- Promotional revenues fell \$285,800 short of budget, and attributable to:
  - Shortfalls in the LETR fundraising program – Gross revenue shortfall of \$176,400; net of direct expenses, the shortfall is \$114,400.
  - An unusual budget item in December 2018 - \$50,000 revenues from the April 2019 Ames Polar Plunge. The cash and revenues will be recognized in April 2019, rather than December 2018.
- Increase in program related spending, mostly with Unified Champions Schools growth and assuming all costs for mid-winter tournament (collectively \$22,500 increase over 2018 spending level)
- Offsetting revenue shortfalls are:
  - SOI grant increases recognizing performance and expansion of Unified Schools
  - Casey's Stores operational support and success of the 50<sup>th</sup> anniversary fundraising program.
  - Individual estate's bequest.
  - Overall cash expense savings of \$56,100 to budgeted expenses, mostly in administrative costs.

Consistent with discussions in September and November, the increased revenues from Unified Schools grants and Casey's statewide sponsorship, along with ongoing expense savings, have reduced nearly \$21,000 of the shortfall created in the first half of the year.

Compared to 2017, there is a \$48,600 shortfall in net operating income (excluding investment losses); attributable to National games expense \$72,400 (incurred once every four years) and the loss from the Truck Raffle (\$26,400), offset by significant increases in individual contributions and SOI grants.

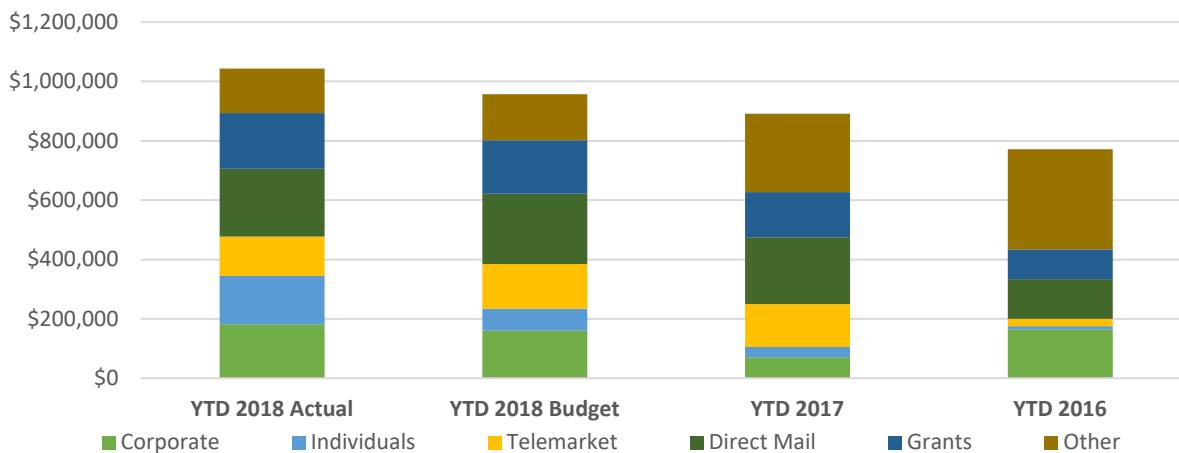
**CASH FLOW PEAKS AND VALLEYS BY MONTH**

The cash flow for Special Olympics Iowa follows a consistent pattern due to its long history with contributed income receipts and promotional programs. April is the month for the Ames polar plunge, and generates positive cash flow. June and July 2018 resulted in higher negative cash flows than the prior two years due to National Games expenses. October has a significant increase in net cash due to grants and contributed income receipts.



**CONTRIBUTED INCOME**

Contributed income surpassed \$1.0 million in calendar year 2018; and was up \$155,000 over year ago, and primarily due to Unified School, a new sponsorship for bocce ball and a bequest left by an individual donor.



**CASH, CASH EQUIVALENTS AND INVESTMENTS**

The State office ended 2018 with strong cash reserves, despite market conditions generating nearly \$45,000 in unrealized losses in its investments. Balances were as follows:

	12.31.2018	12.31.2017	12.31.2016
Operating Cash	\$ 386,516	\$ 627,477	\$ 467,464
Cash Equivalents	597,377	501,512	698,458
Investments	394,331	404,764	353,400
Restricted Assets	167,356	192,053	171,115
	<u>\$ 1,545,580</u>	<u>\$ 1,725,806</u>	<u>\$ 1,690,437</u>

The following represents sources and uses of cash in 2018.

Net Income (Loss)	(176,227)
Depreciation	80,288
Unrealized (Gains) Loss	43,465
Cash-based net income (loss)	<u>(52,474)</u>
Change in Working Capital	
Current Assets	(10,892)
Current Liabilities	<u>(95,796)</u>
Cash from Operations	(159,162)
Hall of Pride and related	<u>(21,064)</u>
Change in Cash and Investments	<u>\$ (180,226)</u>



2018 Actual (unaudited) vs 2018 Budget (Version 1.1)

	Notes	2018 Actual	2018 Budget	Variance
<b>Revenue</b>				
Promotion Revenue	(ii)	\$ 1,392,229	\$ 1,678,000	\$ (285,771)
Individual Contributions (incl. telemarketing)		524,304	461,640	62,664
SOI Grants		187,500	135,000	52,500
Corporate Contributions	(i)	181,766	160,000	21,766
Program Revenue		161,630	141,475	20,155
State of Iowa Appropriation		100,000	100,000	-
Civic Contributions		40,068	50,000	(9,932)
National Games	(iii)	750	45,000	(44,250)
Other Combined		9,877	5,000	4,877
<b>Total Cash Revenues</b>		<b>2,598,125</b>	<b>2,776,115</b>	<b>(177,990)</b>
Investment income		13,850	18,217	(4,367)
Gain (Loss) on Investments		(31,716)	-	(31,716)
<b>Investment income</b>		<b>(17,866)</b>	<b>18,217</b>	<b>(36,083)</b>
In Kind Revenue	(iv)	1,493,188	1,407,249	85,939
<b>Total Revenue</b>		<b>4,073,446</b>	<b>4,201,581</b>	<b>(128,135)</b>
<b>Expenses</b>				
<u>Development Expenses</u>				
Development Payroll		311,309	289,360	(21,950)
Promotion Expenses	(ii)	231,459	340,250	108,791
Fundraising - Ford F150 Raffle	(vi)	68,784	100	(68,684)
Other Combined		135,407	127,160	(8,247)
<b>Total Development Expenses</b>		<b>\$ 746,960</b>	<b>\$ 756,869</b>	<b>\$ 9,909</b>
<u>Program Expenses</u>				
Awards		41,206	26,465	(14,741)
Program Payroll		813,118	869,859	56,741
Program Expenses	(vii)	653,267	551,495	(101,772)
Area Compensation		10,552	17,000	6,448
National Games (incl Team Iowa)	(viii)	72,427	73,900	1,473
Other Combined		303,416	320,421	17,006
<b>Total Program Variance</b>		<b>\$ 1,893,985</b>	<b>\$ 1,859,140</b>	<b>\$ (34,845)</b>
<u>Admin Expenses</u>				
Admin Payroll	(v)	4,990	112,133	107,143
Audit Fees		23,275	20,000	(3,275)
Investment Management Fees		10,501	9,675	(826)
Other Combined	(v)	76,774	29,825	(46,949)
<b>Total Admin Variance</b>		<b>\$ 115,541</b>	<b>\$ 181,818</b>	<b>\$ 56,093</b>
<b>Total Cash Expenses</b>		<b>\$ 2,756,486</b>	<b>\$ 2,797,828</b>	<b>\$ 31,157</b>
Program In Kind		1,373,192	1,273,091	(100,101)
Development In Kind		119,996	134,159	14,163
<b>Total Inkind Expenses</b>		<b>\$ 1,493,188</b>	<b>\$ 1,407,249</b>	<b>\$ (85,939)</b>
<b>Total Expenses</b>		<b>4,249,674</b>	<b>4,205,077</b>	<b>(54,782)</b>
<b>Operating Profit (Loss):</b>		<b>\$ (176,227)</b>	<b>\$ (3,496)</b>	<b>\$ (172,731)</b>

**Notes**

- (i) Sammons Group \$25,000 for bocce ball sponsorship, new in 2018.
- (ii) Refer to Financial Summary
- (iii) Budget assumed \$45,000 in revenues from Team USA Iowa delegation in 1st HY 2018
- (v) Savings in personnel and the related costs, offset by outsourcing.
- (vi) Purchase of truck for F150 raffle \$48,800 new in 2018; Telemarketing expense up consistent with revenues
- (vii) \$12k increase in General programs (6110-61-000) and \$44k increase in souvenirs (6110-69-000).
- (viii) Once every 4 years



2018 Actual (unaudited) vs 2017 Actual (Version 1.1)

Notes	2018 Actual	2017 Actual	Variance
<b>Revenue</b>			
Promotion Revenue (ii)	\$ 1,392,229	\$ 1,469,802	\$ (77,573)
Individual Contributions (incl. telemarketing)	524,304	404,686	119,618
SOL Grants	187,500	152,000	35,500
Corporate Contributions (i)	181,766	195,204	(13,438)
Program Revenue	161,630	153,063	8,567
State of Iowa Appropriation	100,000	100,000	-
Civic Contributions (j)	40,068	26,149	13,919
National Games (ix)	750	700	50
Other Combined	9,877	17,012	(7,135)
<b>Total Cash Revenues</b>	<b>2,598,125</b>	<b>2,518,616</b>	<b>79,509</b>
Investment income (iii)	13,850	10,473	3,377
Gain (Loss) on Investments (iii)	(31,716)	63,087	(94,802)
<b>Investment income</b>	<b>(17,866)</b>	<b>73,560</b>	<b>(91,426)</b>
In Kind Revenue	1,493,188	1,457,721	35,467
<b>Total Revenue</b>	<b>4,073,446</b>	<b>4,049,896</b>	<b>23,550</b>
<b>Expenses</b>			
<u>Development Expenses</u>			
Development Payroll	311,309	319,940	8,630
Promotion Expenses (ii)	231,459	292,960	61,501
Fundraising - Ford F150 Raffle (vii)	68,784	-	(68,784)
Other Combined	135,407	134,928	(479)
<b>Total Development Expenses</b>	<b>\$ 746,960</b>	<b>\$ 747,828</b>	<b>\$ 868</b>
<u>Program Expenses</u>			
Program Payroll	813,118	821,832	8,715
Awards	41,206	25,535	(15,671)
Program Expenses (vi)	653,267	540,684	(112,583)
Area Compensation	10,552	18,870	8,318
National Games (incl Team Iowa)	72,427	-	(72,427)
Other Combined	303,416	292,114	(11,301)
<b>Total Program Variance</b>	<b>\$ 1,893,985</b>	<b>\$ 1,699,035</b>	<b>\$ (194,950)</b>
<u>Admin Expenses</u>			
Admin Payroll (v)	4,990	111,779	106,789
Audit Fees	23,275	17,600	(5,675)
Investment Management Fees	10,501	9,263	(1,239)
Other Combined (v)	76,774	42,877	(33,897)
<b>Total Admin Variance</b>	<b>\$ 115,541</b>	<b>\$ 172,256</b>	<b>\$ 65,978</b>
<b>Total Cash Expenses</b>	<b>2,756,486</b>	<b>2,619,119</b>	<b>(128,104)</b>
Program In Kind	1,373,192	1,313,733	(59,459)
Development In Kind	119,996	143,988	23,992
<b>Total Inkind Expenses</b>	<b>\$ 1,493,188</b>	<b>\$ 1,457,721</b>	<b>\$ (35,467)</b>
<b>Total Expenses</b>	<b>4,249,674</b>	<b>4,076,840</b>	<b>(163,571)</b>
<b>Operating Profit (Loss):</b>	<b>\$ (176,227)</b>	<b>\$ (26,944)</b>	<b>\$ (149,283)</b>

**Notes**

- (i) Decrease from Sammons Group in 2018 of \$9k
- (ii) Ames Plunge results \$90,000 lower than 2017; although 2017 was a year with record setting results; expenses down correspondingly
- (iii) Changes in invested assets (BTC and Des Moines and Dubuque Foundations) are not adjusted for 12.31.2018, as of 1.18.2019
- (v) Savings in personnel and the related costs, offset by accounting outsourcing.
- (vi) \$12k increase in General programs (6110-61-000) and \$44k increase in souvenirs (6110-69-000).
- (vii) Purchase of truck for F150 raffle in March 2018 (\$43,000) and sales proceeds split with delegations